

Spreading LVT Through Government Ownership

by STEVEN B. CORD

A CONSTANT debate arises among Georgists as to which is preferable — government ownership of land or land rent taxation. Both views have merit; but I would prefer to see government tax landowners on their annual rent rather than to have it own land outright and rent it to lessees. The government as universal landlord is apt to be inefficient and could have too much economic power at its disposal. I wouldn't get dogmatic about it, because if the government restricted itself to assessing land rent and collecting it, the danger could be avoided and the system would not differ markedly from land value taxation.

There are special cases where government land ownership is a necessity; the government should own park land, conservation preserves, highways, army bases and so forth. It also has the right to establish zoning codes, because no one has the right to use private property (land) in such a way as to limit other people's right to life, liberty and property. If someone constructed a gas station or slaughterhouse in an attractive residential neighborhood he would be in conflict with the equal rights of his neighbors. I myself have often observed zoning codes to be excessively restrictive, but it's not the zoning principle that's wrong, it's the application.

Also, Georgists should be considering the possibility of introducing land value taxation via the establishment of new cities. There are many large cities in process of being established now and their promoters intend to profit from land speculation, but there may be others who could be persuaded to institute land value taxation from the start. Think what only one such model city would mean! Shouldn't the government, with all the millions it is spend-

ing on its city programs, establish one new experimental city which would combine the latest in planning, architectural design and taxation reform (LVT)? Here is something for Georgist organizations and individuals too, to work for.

And while we're on the subject, why can't we "do it ourselves"? Why not set up our own small new community, perhaps a vacation colony under professional management, in which land sites are owned by the community and rented out to individual vacationers who build summer (or winter) cottages, the rentals being used to defray public expenditures? Enough vacationing Georgists could agree to rent sites and cottages to insure the success of the community—and enough other Georgists would surely agree to invest enough money in such a community to get it moving. The money invested in the original land purchase could be returned to the investors at a reasonable interest rate. It should be located near the largest concentration of Georgists to provide a center for social as well as practical activity.

The Georgist movement needs this model working application of its principles. Some already existing city may see the light and gradually adopt full land value taxation—but meanwhile a new city — private, governmental or Georgist-sponsored—can be a beacon light for other cities which will hopefully move toward the goal of governmental collection of annual land rent.

Australia Conditioned to LVT

by HARRY GUNNISON BROWN

Where land already belongs to the government it is indeed feasible for the government to lease it and use the rent to pay its expenses. Whoever built

on such land and/or used it productively would pay what would logically be the entire rental value of the land. Competition for its use would enable the government to charge that much but no more.

Where the usable land is nearly all privately owned, as in the United States, an attempt by government to lease it to users and thereby collect its annual rental yield to provide for all or nearly all the expenses of government would be regarded as "confiscation," and would probably seem so shocking as to be politically impossible.

In many cities and towns in Australia, a majority of citizens have voted for a great increase of the tax rate on land values along with abolition of taxes on buildings and other improvements. But these homeowners probably were confident that this reform would result in a smaller tax burden for them —also that the abolition or very great reduction of taxes on capital (including factories, office buildings, stores, houses, fruit trees, etc.) would make the production of such capital more profitable

The reference to Canberra in the October HGN, "A Capital on Leased Land," occasioned comments from two authors of books on economics, Harry Gunnison Brown, formerly long time and much beloved economics professor at the University of Missouri, and Steven B. Cord, professor of history at the Indiana University of Pennsylvania.

and the prosperity of most communities greater. This method followed in the United States would have these same results.

With a land value policy we would find ourselves in practically the identical situation we would be in if the government, meaning all of us, had title to the land, as in Canberra, and used the annual rent paid by the tenants to meet government expenses.

This (land value taxation) is the route we should follow. In doing so we will have private title to land as well as to structures on the land. Yet nearly all land rent would go to local government rather than state or national government, and nearly all the income from capital would remain with private citizens.



Government ownership was discussed at the International Conference in Wales by Mary Rawson of Canada and Rolland O'Regan of Wellington, New Zealand.

Miss Rawson, a planner from Vancouver, British Columbia, said, "State ownership is the method of complete assertion and control. State regulations that govern methods of land transfer between private owners can be regarded as a minimum control. Between these extremes are state claims on revenue from, or value of, land; state requirements for land donation under certain circumstances; state regulations governing the private use of land (zoning); the right of the state to expropriate; and state regulations governing land

registration and land subdivision." She said the land systems in North America lie between the two extremes.

For desirable town planning she would expedite outright public land ownership in certain spheres of land used for community purposes and natural resource sites; remove rewards for speculating in land; maintain security of tenure for individual land users, etc.

Dr. Rolland O'Regan, a surgeon, not present at the conference sent an address to be read with the intention of arousing (as it did) frenetic discussion and disagreement.

He feels that Henry George unmistakably connected poverty with the institution of private property in land.